

TESTIMONY ON <u>ASSEMBLY BILL 229</u> ASSEMBLY COMMITTEE ON ENERGY & UTILITIES SEPTEMBER 6, 2011

Fellow members of the Energy & Utilities Committee, I am testifying before you today on Assembly Bill 229, which repeals a prohibition on nonessential uses of natural gas.

Current law prohibits any person, including a gas utility, from installing or connecting any device that constitutes a nonessential use of natural gas. This law was adopted at a time when there were nationwide natural gas shortages, and therefore it was deemed necessary to limit or even refuse new residential and commercial customers.

However, the reasons for those limits no longer exist, as natural gas supplies are abundant and are used for electric generation in large volumes.

Current law requires the Public Service Commission (PSC) to specify the criteria for determining what constitutes a nonessential use. Current law also allows the PSC to provide exemptions to the prohibition.

Assembly Bill 229 repeals the prohibition and requirements for nonessential use of natural gas, including the PSC's rule-making authority. I hope you will join me in supporting this proposal, as there has been no need for such limits in over 20 years.

Thank You.



Public Service Commission of Wisconsin

Phil Montgomery, Chairperson Eric Callisto, Commissioner Ellen Nowak, Commissioner 610 North Whitney Way P.O. Box 7854 Madison, WI 53707-7854

September 6, 2011

To: Assembly Committee on Energy and Utilities

From: Lori Sakk, Legislative Liaison RE: Support for Assembly Bill 229

Good morning Chairman Honadel and members of the Committee. Thank you for giving me the opportunity to testify before you today in support of AB 229. I am Lori Sakk, Legislative Liaison at the Public Service Commission, and I am joined by my colleague, John Lorence, Assistant General Counsel.

The Commission is responsible for carrying out compliance with Section 196.97, Wis. Stats. This statute was enacted at a time when there was a shortage of natural gas supplies in the market. There were concerns regarding the ability of the utilities to obtain gas to meet the demand of existing let alone new customers. The Legislature sought to help ensure the availability of natural gas by restricting or prohibiting its use for what were deemed "non-essential devices," such as gas lights, snow melting equipment, and swimming pool heaters or prohibiting its use for heating areas containing swimming pools, porches, workshops or garages unless insulated to state standards.

A lot has changed since s. 196.97 was enacted. Natural gas is currently a significant fuel source for electric generation in Wisconsin. Natural gas was used to generate approximately 9.1% of energy used in Wisconsin in 2009 (latest year we have data for). Increased use of natural gas for electric generation is seen as one way to address clean air and other air quality concerns. Natural gas is seen as a potential major source for transportation fuels. Supplies are available to meet existing and expanding demands.

The statute, and the administrative rules the Commission enacted in response to the statute, mostly impact small businesses and individuals. While waivers have been granted in the past to organizations such as the Green Bay Packers or the Milwaukee Brewers, the majority of waiver requests the Commission receives are from small customers – businesses looking to extend the season for things such as a driving range, or restaurants trying to add a distinctive design element such as a fire pit or torches, or home owners trying to get more enjoyment out of outdoor living spaces by adding a heater to allow the use of a patio or porch earlier or later into the season. Natural gas supplies exist to meet these needs without compromising Wisconsin's energy security. The statute is no longer necessary, and we respectfully request that you move to repeal it by adopting AB 229.

Thank you and I would be happy to answer any questions you might have.

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